Signing of Double Taxation Avoidance Agreements

4301. DR. SANJAYA SINH: Will the Minister of FINANCE be pleased to state:

(a) what is the number of double taxation avoidance agreements finalised and the number of such agreements signed at Government level during the last three years, alongwith the name of the countries involved in such agreements;

(b) what are the names of the countries with which tax treaties have been notified during the above period; and

(c) what are the names of the countries with which agreements limited to aircraft profits and/or shipping profits were signed during the above period?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) Tax treaties become final only when they are signed at Government level and thereafter notified in official gazette. As on date, India has signed and notified 38 agreements. During the last three years beginning on 1-4-1989 India has signed comprehensive double taxation avoidance agreements with the following seven countries:

Sl. No.	Name of the Country	Date of signature at Govt. level
1.	Polish Peoples Republic	21-6-89
2.	German Democratic Republic	26-7-89
3.	U. S. A.	12-9-89
4.	Philippines	12-2-90
5.	Australia	25-7-91
6.	Bangladesh	27-8-91
7.	U. A. E.	20-4-92

During this three-year period, tax treatie with following eight countries have been notified:

S. No.	Name of country	Date of notification
1.	U. S. S. R.	4-9-89
2.	Denmark	25-9-89
3.	Polish Peoples Republic	12-2-90
4.	Japan	1-3-90
5.	German Democratic Republic	2-3-90
6.	U. S. A.	20-12-90
7.	Australia	22-1-92
8.	Brazil	31-3-92

(c) During the above period India has signed the following limited agreements at Government level:

S. No.	Name of country	Nature of the Agreement	Date of signing
1.	Saudi Arabia	Aircraft profits	14-11-91
2.	U. S. A.	Shipping and aircraft profits	12-4-89

Schemes to attract NRI Funds

4302. SHRI KAMAL MORARKA: Will the Minister of FINANCE be pleased to state:

(a) what are the details of various schemes implemented during past 12 months to attract NRI funds;

(b) what has been the response of NRIs;

(c) the details of funds received from NRIs under these schemes;

(d) what has been the contribution of NRIs in India's foreign exchange reserves?

(e) what has been the total outflow of funds during last six months; and

(f) what are the reasons for large scale withdrawal by NRIs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) A list is appended (See below).

(b) and (c) The response of NRIs has generally been encouraging. Investment approval for Rs. 24.00 crores has been given by RBI till end July, 1992 in 33 projects under the 100 per cent NRI investment scheme for high priority areas. Moreover, a sum of Rs. 25.70 crores has been collected under Foreign Exchange (Ordinary Non-Repatriable) Deposit Scheme. Besides, Ministry of Industry has given approval to NRI investments in 63 cases involving a total project of about Rs. 308.00 crores.

(d) NRIs have contributed significantly to the country's balance of payments position through inward remittances, bank deposits, investments and contribution to India Development Bonds and other Schemes.

(e) and (f) The total outflow of funds during the period January 1992 to June, 1992 has been US $ (—) 2227.74 million in FCNR Scheme and Rs. 1212.00 crores under NRI Scheme.

It is not possible to attribute precise reasons for the continued outflow of NRI deposits during the last six months.

Statement

List of incentives provided to NRIs from July, 1991

1. NRIs and their OCBs are now allowed to invest upto 100 per cent on repatriation basis in high priority industries. A procedure of automatic clearance of such proposals has also been made.

2. The ceiling of 5 per cent on overall NRI portfolio investment in an Indian company has been raised to 24 per cent provided the company passes a resolution to this effect.

3. NRI investment upto 100 per cent is now allowed on Non-repatriation basis in the previously forbidden areas of real-estate housing and infrastructure.

4. Foreign citizen of Indian origin have been permitted to acquire house property without the permission of RBI by granting them exemption under Section 31 of FERA.